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KGB

One reason the KGB might feel more secure operating out of Canada is CSIS's modest 1985-86 budget of \$82 million and its small number of employees -- 1,800. It is not known how many of those are actual counterintelligence agents.

~~Jeffrey Richelson~~, an assistant professor of government at the American University in Washington, D.C., who has written two books on U.S. and Soviet intelligence operations, says both nations have large numbers in the field but few are actually involved in day-to-day spying.

Richelson said the U.S. employs more than 150,000 people in intelligence activities, 100,000 of whom work for military intelligence units.

Some 20,000 work for the CIA, most in administrative and technical work in Washington. Another 10,000 are split among the National Reconnaissance Office, which oversees U.S. spy satellites, and various minor civilian intelligence agencies.

The National Security Agency, however, is by far the largest, most secret and most costly of the U.S. intelligence agencies. Although little is officially known about the NSA, it may have up to 50,000 employees, including many in the military. It has access to nuclear submarines, spy planes, spy satellites and bags of exotic equipment.

"The number of people in the field actually involved in spying or counterintelligence is small, the low thousands, maybe 2,000," Richelson said.

The Soviets have about 700,000 people employed in intelligence and security work worldwide, Richelson said. Most are part of the internal security police within the Soviet Union.

Up to 400,000 work as border guards within the Soviet Union and 100,000 are involved in internal police operations.

The KGB's foreign intelligence branch employs 15,000 people, he said. Of the 15,000, about 4,000 would be involved in field spy operations abroad.

Between 35 and 40 percent of Soviet foreign diplomats work directly in spying, he said.

A Canadian External Affairs department official said there are 33 Soviet diplomats in Canada (in Montreal and Ottawa) with about another 30 support staff.

Some diplomats believe Canada is a staging area for KGB operations throughout North America.

Four years ago defector Arkady Shevchenko, former Soviet ambassador and undersecretary to the United Nations, said in an interview that "Canada has never been taken as a minor power (by the Soviets). It is seen as one of the most important countries of the West. ... If they can divide Canada and the United States, it would be considered a great achievement."

Before he came to power two years ago, Prime Minister Brian Mulroney said Soviet spies were so thick in Canada that "you and I both stumble into KGB agents in Ottawa every day of the week."

Since 1978, 21 Soviet diplomats have been expelled for their involvement in intelligence activities.

When he was Canadian solicitor-general responsible for counterintelligence between 1980 and 1984, Robert Kaplan was aware of 'a lot' of Soviet activity in Canada.

'Soviet espionage has moved from the traditional targeting of domestic government policy secrets and plans into the whole military-industrial and high-tech fields,' he said. 'The targets are very often American products and technology in Canada. Cuba runs almost its whole American operation out of Canada.'

He was asked if terrorists were trained in Canada.

'I can remember stories like that. ... The information came in and something was done about it.' He would not elaborate.

He also acknowledged that the CIA has traditionally been allowed to spy on the spies in Canada with the permission of the Canadian government.